(d) if not, the reasons therefor, particularly in view of the availability of additional funds over the years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir. The maximum limit of deposit in Monthly Income Scheme has been enhanced to Rs. 4.50 lakh in single account and Rs. 9.00 lakh in joint account with effect from 1st August, 2007.

Apart from Monthly Income Scheme, the maximum limit of deposit/balance is applicable only to (i) Post Office Savings Accounts (ii) Public Provident Fund and (iii) Senior Citizens Savings Scheme. There is no upper limit of deposit in respect of any other small savings scheme.

Proposals for increasing the maximum limit of balance in Post Office Savings Account and Public Provident Fund were recently considered by the Government. Interest on Post Office Savings Account is exempt from the income-tax. This exemption was provided in the context of similar deduction under Section 80L of Income Tax Act, 1961 for interest from savings account with a bank, which has been withdrawn from the assessment year 2006-07. Therefore, enhancement of deposit ceiling for the Post Office Savings Accounts was not found feasible as it would have widened the disparity between the two and led to higher revenue loss.

Similarly, as the interest accruing on deposits in Public Provident Fund accounts is exempt from the income-tax, enhancement in the maximum deposit limit was not found feasible for the reason that it would result in revenue loss.

The Senior Citizens Savings Scheme was launched on 2nd August 2004. The maximum limit of deposit under the Scheme is Rs. 15 lakh in single/joint account, which is considered adequate.

Manpower shortage in IT and Custom Departments

1916. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) the details of vacancies to be filled up in Income Tax (IT) Department and Custom Department, category-wise and year-wise;

(b) by when it would take to fill them and the constraints, if any, in filling them up early;

(c) whether the work and effective functioning of the Departments were affected for want of requisite manpower to be filled up;

(d) what are the major lapses, noticed on the Part of Income Tax Officers in assessment of income, valuation of assets, grant of exemption;

(e) whether there were cases of wonton omission or commission or malafide approach in bad faith; and

(f) what is the mechanism available to avoid this kind of practice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and would be laid on the Table of the House.

(d) Every year, the Comptroller and Auditor General of India conducts Audit of the assessments completed by the ncome Tax Department on a selective basis. Objections raised by the Audit are remedied in accordance with provisions of the Income Tax Act and reported to the C&AG. Some of these cases are selected by the C&AG and are presented as Paras, in the Audit report, placed before the Parliament. The Objections are case specific and remedial action if any, is dependent on the facts and circumstances of each specific case. Therefore, a general observation categorizing and circumscribing the various individual cases cannot be made.

(e) Instruction No. 9 of 2006 issued w.e.f. 01.12.2006 prescribes the procedure for calling explanations of the Assessing Officers. Vigilance proceedings are initiated against errant officers wherever acts of omission or commission done in bad faith or acts done with malafide intention are noticed. Central Board of Direct Taxes (CBDT) has, so far, not received any proposal from its field authorities for initiation of action on account of wanton omission or commission or any malafide approach in bad faith on the part of any official.

(f) The CBDT has introduced the New Internal Audit System from 01.06.2007 by Instruction No. 3 of 2007 which prescribes procedure for auditing as well as settlement of audit objections and is aimed at avoiding mistakes on the part of Assessing Officers.

Excise duty exemption on manufacture of drugs

1917. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government has given excise duty exemption for manufacture of drugs in certain States; and

(b) if so, the details of exemptions, the period and name of the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Excise duty exemption is available for units located in States of Uttarakhand and Himachal Pradesh, States in North Eastern Region (Assam, Tripura, Meghalaya, Mizoram, Manipur, Nagaland, Arunachal Pradesh and Sikkim), Jammu and Kashmir and in Kutch district of Gujarat. However, exemption is available not only for manufacture of drugs, but also for other specified items.

(b) Summary of details is placed in the Statement.

Statement

Summary of excise duty exemption for certain states

Area	Date of Issue of exemption notification	Modalities of exemption	Units availing exemption: start date	Period of validity
1	2	3	4	5
North East Region	08.07.1999*	Refund mechanism for new and expanded units	Units set up or expanded after 24.12.1997 can avail the exemption	Sun-set date is 31.3.2007